
**PRELIMINARY DRAFT
No. 3062**

**PREPARED BY
LEGISLATIVE SERVICES AGENCY
2008 GENERAL ASSEMBLY**

DIGEST

Citations Affected: IC 5-10.2; IC 5-10.4.

Synopsis: TRF member reemployment after retirement. Reduces from 90 days to 30 days the waiting period after which a retired member of the state teachers' retirement fund (TRF) may be reemployed in a covered position and continue to receive a retirement benefit.

Effective: July 1, 2008.



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-3-3, AS AMENDED BY P.L.72-2007,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 3. (a) This section does not apply to a member of
4 the Indiana state teachers' retirement fund who ~~after June 30, 2007~~ is
5 reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's
6 retirement in a position covered by the Indiana state teachers'
7 retirement fund.

8 (b) Members' contributions, other than members' contributions paid
9 on behalf of a member, shall be deducted from their compensation even
10 if the net compensation to the member is less than the statutory
11 minimum.

12 (c) The payment of a member's compensation minus the deduction
13 constitutes a complete discharge of all claims for services rendered by
14 the member during the period covered by the payment, except the
15 claim for benefits under this article.

16 SECTION 2. IC 5-10.2-4-8, AS AMENDED BY P.L.72-2007,
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2008]: Sec. 8. (a) As used in this section, "exempt amount"
19 means, in the case of a member who has not attained the Social
20 Security normal retirement age for unreduced benefits, thirty-five
21 thousand dollars (\$35,000), computed for the calendar year in which
22 a retired public employees' retirement fund member is reemployed and
23 computed for the fiscal year in which a retired teachers' retirement fund
24 member is reemployed.

25 (b) This subsection does not apply to a member who is employed by
26 the department of education or ~~after June 30, 2007~~, to a member of the
27 Indiana state teachers' retirement fund who is reemployed more than
28 ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position
29 covered by the Indiana state teachers' retirement fund. If a member who
30 is receiving retirement benefits and who has not attained the Social
31 Security normal retirement age for unreduced benefits:



(1) becomes reemployed in a position covered by this article; and
 (2) earns in that position more than the exempt amount;
 his retirement benefit payments shall stop, and the member shall begin making contributions as required in IC 5-10.2-3-2. However, employer contributions shall be made throughout the period of reemployment. The earnings limitation under this subsection does not apply to a member who has attained the Social Security normal retirement age for unreduced benefits.

(c) If a member who is receiving retirement benefits is reemployed in a position covered by this article not more than:

(1) ninety (90) days after the member's retirement, **for a member who is not a member of the Indiana state teachers' retirement fund who is reemployed in a position covered by the Indiana state teachers' retirement fund; or**

(2) **thirty (30) days after the member's retirement, for a member of the Indiana state teachers' retirement fund who is reemployed in a position covered by the Indiana state teachers' retirement fund;**

the member's retirement benefits shall stop, the member shall begin making contributions as required by IC 5-10.2-3-2, and employer contributions shall be made throughout the period of reemployment.

(d) This subsection does not apply ~~after June 30, 2007~~, to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund. If a retired member is reemployed in a position covered by this article, section 10 of this chapter applies to the member upon the member's retirement from reemployment.

(e) The following apply to a member of the Indiana state teachers' retirement fund who ~~after June 30, 2007~~, is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund:

(1) The member's retirement benefit payments continue during the member's period of reemployment without regard to the amount of the member's earnings from the covered position.

(2) The member may not make contributions under IC 5-10.2-3-2 or IC 5-10.4-4-11 during the member's period of reemployment.

(3) The member's employer may not make contributions under IC 5-10.2-2-11 or IC 5-10.4-4-11 for or on behalf of the member during the member's period of reemployment.

(4) The member does not earn creditable service under IC 5-10.2-3-1 for the member's period of reemployment.

(5) The member is not entitled to an additional benefit under sections 9 and 10 of this chapter for the member's period of reemployment.

SECTION 3. IC 5-10.2-4-9, AS AMENDED BY P.L.72-2007,



SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) This section does not apply ~~after June 30, 2007~~, to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.

(b) If a member dies during reemployment and retirement benefits from before his reemployment are payable after his death, the payment of these amounts shall be made without change, and any additional benefit earned during reemployment shall be paid as provided in section 10 of this chapter.

SECTION 4. IC 5-10.2-4-10, AS AMENDED BY P.L.72-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) This section does not apply ~~after June 30, 2007~~, to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.

(b) Benefits provided under this section are subject to IC 5-10.2-2-1.5.

(c) Upon termination of reemployment, except by death, the retirement benefits from before the member's reemployment which are payable after termination shall be paid without change.

(d) If the member is reemployed for fewer than ninety (90) consecutive school or working days, upon termination of reemployment, contributions and interest credited to the member's annuity savings account shall be paid to the member.

(e) If the member is reemployed for ninety (90) or more consecutive school or working days, upon termination of reemployment, the member shall receive an additional benefit.

(f) The additional retirement benefit consists of the sum of a supplemental pension and a supplemental annuity. The supplemental pension is computed under section 4 of this chapter using the member's:

- (1) years of service during the member's reemployment; and
- (2) average compensation during the member's reemployment, if the member is reemployed for less than five (5) years, or average of the annual compensation (as defined in section 3 of this chapter) during the member's reemployment.

If the member is entitled to a supplemental annuity, it consists of an annuity provided by contributions and interest credited to the member during reemployment, if any.

(g) The additional retirement benefits are guaranteed for five (5) years or until the member's death, whichever is later. The member may choose instead of the guaranteed payments any of the options under section 7 of this chapter for the payment of the member's additional



1 retirement benefits.

2 (h) IC 5-10.2-2-7 applies to additional retirement benefits.

3 SECTION 5. IC 5-10.4-4-11, AS AMENDED BY P.L.72-2007,
4 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2008]: Sec. 11. (a) This section does not apply ~~after June 30,~~
6 ~~2007~~; to a member who is reemployed more than ~~ninety (90)~~ **thirty**
7 **(30)** days after the member's retirement in a position covered by the
8 fund.

9 (b) Each member shall contribute to the fund three percent (3%) of
10 the member's compensation as set forth in IC 5-10.2-3. However, the
11 member's employer may pay the contribution on behalf of the member.

12 (c) If a member's employer elects to pay the members' contributions
13 for its employees, the employer must initiate the payments as part of
14 salary and fringe benefit adjustments provided to these employees.

15 SECTION 6. IC 5-10.4-5-13, AS AMENDED BY P.L.72-2007,
16 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2008]: Sec. 13. (a) IC 5-10.2-4-8, IC 5-10.2-4-9, and
18 IC 5-10.2-4-10 apply to the reemployment of a retired member.

19 (b) This subsection does not apply ~~after June 30, 2007~~, to a member
20 who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the
21 member's retirement in a position covered by the fund. For a retired
22 member who withdraws from retirement status, resumes teaching, and
23 again retires, the board shall pay the member, after the member's
24 second or subsequent retirement, a monthly retirement benefit at least
25 equal to the highest amount the retired member has received as a
26 retirement benefit.

